

Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 KINSHA 10159 251543Z

22-11

ACTION AF-06

INFO OCT-01 ISO-00 OES-03 HEW-02 FTC-01 COME-00 EB-07

OPIC-03 TRSE-00 OMB-01 CIAE-00 INR-07 NSAE-00 /031 W
----- 021558

R 251500Z NOV 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 5394

C O N F I D E N T I A L KINSHASA 10159

PASS COMMERCE

E.O. 11652: GDS

TAGS: ECON, EINV, CG

SUBJ: PHARMACEUTICAL SECTOR - MORE OF THE SAME

REF: KINSHASA 9289

1. SUMMARY. GOZ RETURNS PHARMACIES OF MIXED OWNERSHIP TO FORMER OWNERS. THOSE WHICH FORMERLY BELONGED 100 PERCENT TO FOREIGNERS (E.G. WARNER-LAMBERT'S CHAIN) REMAIN NATIONALIZED. COMPANIES OFFERED SPECIAL POSITION IN PHARMACEUTICAL IMPORTATION NOT ENTHUSIASTIC. OTHER COMPANIES, WILLING TO COOPERATE, FIND TOUGH ROW TO HOE. EVIDENCE OF MOUNTING CONFLICT BETWEEN MINHEALTH NGWETE AND DR. CLOSE. END SUMMARY.

2. THERE APPEAR TO HAVE BEEN FEW SUBSTANTIVE CHANGES IN THE PHARMACEUTICAL SECTOR OVER THE LAST MONTH. THE GROUP OF PHARMACIES RETURNED IN OCTOBER TO THEIR ORIGNINAL (ZAIREIAN) OWNERS WAS EXPANDED IN NOVEMBER TO INCLUDE THOSE WITH PART ZAIRIAN, PART FOREIGN OWNERSHIP. THUS ONLY THOSE WITH WHOLLY FOREIGN OWNERSHIP (E.G. WARNER-LABERT'S PIAF CHAIN) REMAIN NATIONALIZED. EVEN FOR PHARMACIES RETURNED PHARMACEUTICAL STOCKS TAKEN OVER AS OF AUGUST 30 REMAIN TAKEN; PROPERTIES RETURNED MAY BE UTILIZED BY THE PHARMACIES FOR IMPORT, STOCKING

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINSHA 10159 251543Z

AND DISTRIBUTION OF NON-PHARMACEUTICAL PRODUCTS ONLY.
ALL PURCHASING OF PHARMACEUTICAL PRODUCT FOR DISTRI-

BUTION MUST BE DONE THROUGH THE YET NON-EXISTENT COMMERCIAL DIVISION OF THE DCMP. RETURNED PHARMACIES ONLY SELLING NON-PHARMACEUTICAL PRODUCTS PLUS THOSE PHARMACEUTICAL ITEMS THEY DID NOT TURN OVER AUG. 30.

3. THE FOUR COMPANIES (WARNER-LABERT, CIBA-GEIGY, SPECIA, HOESCHST) OFFERED EXCEPTIONAL IMPORTATION RIGHT (PARA 8, KINSHASA 9289) FOUND THE DEAL OFFERED NOT AS ATTRACTIVE AS GOZ HAD HOPED. PARTICULAR PROBLEMS WERE THAT FIRMS SAW THEMSELVES WITHOUT CONTROL OF NEW STOCKS TO BE IMPORTED, WITHOUT PAYMENT OF OUTSTANDING AMOUNTS DUE FOR STOCKS NATIONALIZED, WITHOUT FX FOR OUTSTANDING ACCOUNTS WITH HOME OFFICES AND OTHER SUPPLIERS, BUT WITH THE DUBIOUS PRIVILEGE OF EXTENDING ANOTHER SUBSTANTIAL CREDIT FOR 180 DAYS BASED SOLELY UPON GOZ "GUARANTY" OF FX AVAILABILITY AT END OF THAT PERIOD. ALL FOUR FIRMS RESPONDED THAT THEY WOULD NOT CONSIDER COOPERATION ON NEW OFFER BEFORE RECEIVING PAYMENT TOWARD RESOLUTION OF OUTSTANDINGS. WE UNAWARE OF FURTHER MOVEMENT ON THIS FRONT.

4. MEANWHILE, OTHER COMPANIES, SEEKING MEANS OF MAINTAINING ACCESS TO WHAT REMAINS ATTRACTIVE MEDIUM-AND LONG-TERM MARKET, FOUND IT DIFFICULT TO GET FOOT IN DOOR. PFIZER EXAMPLE IS PARTICULARLY INTERESTING. PFIZER REP TOLD EMBOFF HE WENT TO MINHEALTH NGWETE WITH OFFER TO GIVE 180-270 DAY CREDIT FOR IMPORTATION OF \$184 THOUSAND OF MUCH NEEDED PRODUCTS. NGWETE AGREED AND TOLD HIM TO GO TO DCMP TO GET PAPERWORK DONE. UPON ARRIVAL AT DCMP, PFIZER REP WAS TOLD THAT DCMP WORKED FOR DR. CLOSE, NOT RPT NOT FOR NGWETE, AND THAT PFIZER SHOULD TEAR UP ITS PROPOSAL; DCMP NOT RPT NOT INTERESTED. EMBOFF ADVISED PFIZER TO TAKE SAME OFFER TO DR. CLOSE. PFIZER HAS NOT YET REPORTED OUTCOME OF LATTER APPROACH.

5. COMMENT. DECISION TO RETURN PHARMACIES TO ORIGINAL OWNERS WAS CLEAR REVERSAL OF POLICY DECISION, TAKEN AT LEAST IN PART BY MINHEALTH NGWETE DURING SUMMER ABSENCE OF DR. CLOSE, WHICH NATIONALIZED IN FAIRLY PRE-CONFIDENTIAL
CONFIDENTIAL

PAGE 03 KINSHA 10159 251543Z

CIPITATE MANNER ALL PHARMACIES. THIS REVERSAL CONSTITUTED SIZEABLE PORTION OF CROW FOR NGWETE TO EAT AND ONE COULD HAVE ANTICIPATED NEGATIVE REACTION FROM HIS SIDE, HOWEVER, ABOVE REACTION BY DCMP, NOW A DR. CLOSE-RUN OPERATION, TO NGWETE-AUTHORIZED DEAL MAY PROVIDE BETTER INSIGHT INTO ACTUAL DEPTH OF CLOSE'S ANNOUNCEMENT WITH NGWETE THAN CLOSE'S OWN FAIRLY MODERATE UTTERANCES ON SUBJECT. UNFORTUNATE BUT LIKELY EFFECT OF SUCH INTERPERSONAL AND INTERORGANIZATIONAL CONFLICT IS EXACERBATION OF ALREADY DEPLORABLY CONFUSED AND DETRIMENTAL SITUATION.

END COMMENT.

WALKER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DRUGS, NATIONALIZATION, PERSONNEL, INVESTMENT CLIMATE, BUSINESS FIRMS, IMPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KINSHA10159
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750411-0453
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751112/aaaaakis.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 KINSHASA 9289
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 02 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 SEP 2003 by BoyleJA>; APPROVED <19 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PHARMACEUTICAL SECTOR - MORE OF THE SAME
TAGS: ECON, EINV, CG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006